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WEEKLY REPORT



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THE SITUATION IN SOUTH VIETNAM

18 August 1965

INTELLIGENCE AND REPORTING SUBCOMMITTEE OF THE INTERAGENCY
VIETNAM COORDINATING COMMITTEE

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OCI No. 0633/65

Published by the Directorate of Intelligence
Central Intelligence Agency

THE SITUATION IN SOUTH VIETNAM

(12 August - 18 August 1965)

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(The Weekly Report on the Situation in South Vietnam is based on contributions from CIA, DIA, and INR; it is edited and published by CIA without final coordination. A fully coordinated Monthly report is disseminated on the first Friday of every month.)

THE WEEK IN PERSPECTIVE

Despite evident opportunities for political maneuvering against Premier Ky during his current absence from Saigon on a trip to Taiwan and Thailand, there continues to be no firm evidence of any immediate threat to his position. Buddhist Tri Quang, in an interview published this week by a Hong Kong journalist, reiterated his strong opposition to the present government and in particular to Directory chairman General Thieu, and added that he hoped the war would soon be ended through a ceasefire or negotiations. Quang, however, has indicated that he intends to avoid association with any specific early action, including possible antigovernment demonstrations in Hue protesting local grievances.

In the meantime, the government is taking further steps to mobilize manpower, including measures among minority groups. While paying lip service to a greater priority for rural reconstruction, certain of the government's conscription measures threaten to deplete available younger talent from both national ministries and rural cadres. US officials are still trying to prod provincial officials into spending the funds allotted to them for reconstruction.

Although the conduct of the war continues to depend mostly upon Viet Cong initiatives and opportunities, this week's indications and trends show improvement of the government's military situation. The monsoon campaign has thus far failed to produce durable military gains for the Viet Cong.



I. THE SITUATION WITHIN SOUTH VIETNAM

A. POLITICAL SITUATION

1. The absence of Premier Ky and several other top government officials, who departed on 15 August for an eight day trip to Taiwan and Thailand, has left a partial political vacuum in Saigon, although there continues to be no firm evidence of a possible power grab. Two days before his departure, Ky granted an interview to a Catholic newspaper correspondent in which he noted that his absence would give any political maneuverers a chance to "stage their coup," and warned that the air force was prepared, as in the past, to counter any such attempt. However, Ky was reported by another general officer to have shown no signs of concern over any threat to his position. He designated as acting premier the civilian minister of justice, Lu Van Vi, but told Deputy Ambassador Johnson that chief of state General Thieu should be consulted on important matters.

2. New signs of restiveness have appeared in the central Vietnam stronghold of Buddhist leader Tri Quang, who continues to declare himself firmly opposed to the present government. This Buddhist hostility continues to be linked with the ambitions of General Thi, the commander of the northernmost I Corps, although evidence is lacking of any basic identity of interest between Quang and Thi. A central Vietnamese politician, identified with the southern wing of the Dai Viet party, warned the embassy last week that Buddhist monks in Hue were planning to stage demonstrations against Ambassador Lodge shortly after his arrival in South Vietnam.

25X1X [REDACTED] claimed that Tri Quang
25X1X now regarded Lodge as a formidable obstacle to
Quang's own goals, which [REDACTED] described as a govern-
ment dominated by the Buddhist clergy with General
Thi as chief of state.

3. The US Consulate in Hue has been unable to discover any firm evidence of impending anti-Lodge demonstrations by the Buddhists. It has, however, noted rumors in local Dai Viet and Catholic circles of a plot by Thi, in collusion with the rival Nationalist Party (VNQDD) and presumably with

the Buddhists, to replace anti-Communist local officials belonging to the Dai Viet party with neutralist sympathizers. The consulate has tended to discount such rumors because of information from responsible officials that Thi's removal of two Dai Viet army captains was influenced by a report that they were incompetent. The consulate also notes that Thi has openly defended the Dai Viet chief of Quang Tri Province, who has been under attack from a local VNQDD faction.

4. Statements by Tri Quang that he was returning to Hue from Saigon, and his query of an embassy officer concerning the date of Ambassador Lodge's arrival, suggested the possibility of some planned Buddhist agitation. Quang, however, coupled his query with an expression of "faith" in Lodge and a hope that the new ambassador would facilitate a replacement of the current Saigon regime. Subsequently, Quang told the embassy that he was delaying his return to Hue, indicating that he did not wish to be associated with possible plans of the "people" in I Corps zone to demonstrate against the government and against General Thi over the continued retention of the Quang Tri province chief. Quang hastened to add that he still opposed the government, but that he considered the local issue unworthy of demonstrations inasmuch as the government would eventually fall for more important reasons. Quang also stressed that he felt, a change in government should come quietly without a new political upheaval.

5. One of Tri Quang's more significant recent actions was his granting of an interview, published this week in the Far Eastern Economic Review. Quang has alleged in the past that he has been misquoted by the same correspondent, a Vietnamese woman journalist, and it therefore seems likely that he finds her a useful vehicle for controversial statements that he can--if necessary--later claim were distorted. In his latest interview, Quang repeated his attacks on chief of state General Thieu as being a "fascist" and "another Diem." Quang claimed that the present government did not have the support of "the people," and questioned whether the war could be won militarily by the US without popular support. He concluded the interview with the statement that he hoped the war could be ended as soon as possible,

by a ceasefire or "by any negotiation that will have the support of the people."

6. Underscoring its determination to achieve full mobilization of manpower and resources, the Ky government has announced that all persons between the ages of 28 and 37 who hold a baccalaureate diploma or an equivalent degree will be called up next month for enrollment in reserve officers' school. The order apparently will apply to present civil servants, teachers, and other professional people, and if strictly enforced, could seriously disrupt the middle-level bureaucracy. In addition, the government is preparing to launch its "home guard," under which males between 16 and 45 and females between 18 and 25 will be "mobilized." Implementation is to begin with a pilot district in Saigon, where it is hoped that approximately 55,000 persons will be enlisted and put into special uniform. The Ky government is also stepping up efforts to persuade, or compel, local Chinese residents to perform military service. In addition, Generals Thieu and Ky recently visited the respective headquarters of the Hoa Hao and Cao Dai sects, which provide an important source of manpower for paramilitary units in the delta, to publicize new government decrees granting each sect juridical status. A similar decree, enabling religious organizations to acquire and dispose of property, was granted to the Buddhists under the regime of General Khanh.

7. Information obtained by the US Embassy indicates that land speculation in Khanh Hoa Province involves not only local Vietnamese officials, such as province chief who was recently removed by the ruling Directory, but also prominent Saigonese, including the wife of war minister General Co. These officials, by obtaining grants of government-owned land, hoped to profit from future economic development following US construction of a military base and port facilities at Cam Ranh Bay. The embassy fears that this activity could confront the government with a major corruption scandal.

8. A number of newspapers in Saigon, notably one published by a colleague of former premier Quat, have editorialized at length on the disruptive economic effects of the increasing numbers of US troops with quantities of dollars to spend. Several newspapers have also seized on the publicity given to recent US Marine operations in which homes of civilians harboring

Viet Cong troops were burned; some editorials urge that procedures--including Vietnamese advisers with US units--be instituted to help US troops understand the important political aspects of the war against the Viet Cong. Viet Cong propaganda has also given heavy play to alleged atrocities by US troops. An attempted village demonstration near Da Nang last week, protesting US depredations, may have been Viet Cong instigated.

9. The Viet Cong clandestine radio has also criticized at length the recent military trials of 21 defendants picked up by the Quat regime for sponsoring a "subversive" peace movement. Although three of the movement's alleged leaders received heavy penalties of 10-to-20 years at hard labor, the remainder received either suspended sentences or were acquitted. There have been indications of at least some Communist involvement in the peace movement concerned, the People's Movement for Self-Determination.

Economic Situation

10. The US Mission reports further progress in negotiations with the GVN on steps to be taken against the black market in dollars. The GVN has agreed to a military payment certificate (MPC) or military scrip system, and has given tentative agreement on new exchange arrangements for US and other foreign personnel that would bring the conversion rate close to the black market rate.

11. The rice situation has eased somewhat with the promise of large shipments from Thailand and the US, and with immediate rice needs met by the expected arrival of 25,000 metric tons from Thailand. Wholesale rice prices fell somewhat although they are still above the "official" price, and the retail price index fell by 1.3 percent. Some improvement has been reported in coastal shipping. Efforts at developing junk-fleet coastal capability to transport commodities from major central Vietnam ports to other coastal cities have been meeting with success.

12. New GVN initiatives in land reform were approved by the cabinet on 10 August. The new program entails the distribution of permanent land titles and the revocation of the bid system for the use of village land in central Vietnam. The US Mission has expressed misgivings on the "mechanical" approach adopted by the GVN and on the failure of the new program to provide access to land by farmers not previously benefited.

B. MILITARY SITUATION

1. The relative lull continues in Viet Cong military activity, especially in large-scale actions. Throughout South Vietnam the Viet Cong have continued harassment of isolated posts and district towns, acts of sabotage against lines of communication, and light probing actions against US forces in defensive positions in the north and north-central provinces. In the delta area the tempo of Viet Cong activity remains high but has exhibited no discernible trend.

2. RVN forces scored significant victories this week when the VC were attacked and defeated in two separate actions, one in Pleiku Province of II Corps and the other in Phong Dinh Province of IV Corps. The operation in Pleiku, named Dan Thang 7, was designed to reinforce the Duc Co CIDG camp and concurrently to secure and repair Highway 19 from Thanh Binh to Duc Co. Sniper fire, mortar fire, and ambushes constantly harassed friendly forces, resulting in losses of 59 KIA, 107 WIA, and 11 MIA. However, the Viet Cong were unable to achieve the necessary initiative and momentum for sustained offensive action. While withdrawing and alternately employing defensive and ambush tactics, the Viet Cong suffered 434 KIA and six captured. The enemy units included a well-trained and disciplined force of three battalions of a VC regiment (probably the 3rd Regiment), one Main Force battalion, and a composite battalion of local forces. The RVN forces demonstrated an aggressive spirit and a desire to close with the enemy. Their tactics and use of intelligence were excellent.

3. The other major success occurred in Phong Dinh Province and resulted from the prompt exploitation of intelligence on the part of the 21st Division. The operation, Dan Chi 151, was a search-and-destroy operation based on detailed reports from the populace that a VC battalion was at Long Son. The operation was launched on the following day and called for coordinated attacks from four directions. Prompt action, a display of initiative, good maneuver and coordination resulted in Viet Cong losses of 258 KIA and two captured; also taken were one .50 caliber machine gun, two light machine guns, 12 rifles, a quantity of ammunition, and some documents.

4. Elsewhere, friendly operations were about the same as usual. There was a slight drop in large-scale actions and a resultant drop in VC contacts. Thirty-eight contacts out of 77 operations were reported; five of the 77 were US actions, and two of the 38 contacts were US.

Small-unit actions totaled 22,047, an increase over the 20,647 of last week. Contacts with the VC totaled 155, an increase of four over the previous week.

5. Sea, river, CIDG, and psywar operations continued as usual, with the latter credited for minimizing adverse public reaction to the B-57 crash in Nha Trang.

6. Overall RVNAF strength is estimated to have increased more than 12,000 in July despite a 3,000 decrease in the Popular Force (PF). The PF's continued decline is attributed to recent restrictions on its recruitment in the 17-30 age group. This restriction is intended to provide a manpower priority to the Regular Forces (RF). To stimulate RF recruitment, the Joint General Staff has authorized recruitment for two years of men 40-45 years old, and the voluntary retention for one year of men 47 years of age or older.

7. The VC conducted no battalion-size operations during this week, although the previous high level of small-unit activity continued. Mortar harassment of district towns was reduced from last week but still occurred throughout the country.

8. Although the use of several roads was restored, most are harassed or cut, and denied to non-VC traffic. Routes 7, 14, 20, and 21 into the highlands are impassable because of collapsed bridges. Though this severance of overland communication routes was well planned and executed, the ability of the VC to exploit it has been deterred by friendly air support.

9. In I Corps, VC activity decreased slightly, with a drop in incidents of sabotage. The main activity in II Corps continued around Duc Co in Pleiku Province. Captured documents indicate that some VC units are suffering from lack of rest, food, and medicine, and reveal that many of the men are ill. Documents such as this have been captured from time to time since 1962, but have not proven particularly significant. Should

such conditions become general, however, they would seriously affect overall Viet Cong capabilities. Otherwise, VC activity in II Corps this week was about as usual--a mixture of all types with the most notable being mortar fire on two district towns. Third Corps showed a decrease in VC activity. Lines of communication were open with few exceptions; however, incidents of extortion and vehicle mining increased. Sightings of VC units of battalion size were numerous in the area of Tay Ninh, Binh Duong, and Long Khanh Provinces. MACV reports that there are also indications pointing to increased VC strength in Long Khanh Province. The intensity of VC activity dropped sharply in IV Corps area although the number of incidents remained about the same. The pattern of harassing fire showed a marked increase in VC employment of mortars. In Chuong Thien Province, mortars were directed on many locations on six of seven nights last week. This large expenditure of mortar ammunition is considered to be indicative of an effective VC logistics system, and sustained firings suggest heightened VC boldness.

10. ARVN casualties for the period were 214 KIA, 430 WIA, and 94 MIA for a total of 738. This is a decrease from last week's 941, and compares favorably with the 1478 casualties sustained by the VC (1330 KIA and 148 captured). These figures were twice the VC casualties of last week. The 1330 KIA is almost 500 higher than the previous week's high for this year, which was 880 in the last week of June. ARVN lost 160 weapons while capturing 321 from the Viet Cong.

C. RURAL RECONSTRUCTION

1. A special USOM contingency fund, designated the MACV Advisor's Imprest Fund, is to become available sometime this month. This special fund will go to 140 USOM sub-sector advisors and 10 sector advisors on a four-month trial basis. During this period, each sector advisor will receive a monthly equivalent of US \$700 in local currency, and each sector advisor about US \$1,000. The main purpose of providing this fund is to induce the expenditure by GVN province chiefs of their Unforseen Expenses Fund. High GVN officials have urged province chiefs to use their funds, but apparently without success. USOM has urged that the Unforseen Expenses Fund be transferred from the provincial budget to the Rural Reconstruction budget to facilitate its use.

2. On the basis of messages indicating food shortages in Son Hoa and Phu Duc districts in Phu Yen Province, USOM has arranged for the transportation of 12.5 tons of rice to the province. This is to be the first increment of a larger total shipment.

3. In June, Premier Ky's civilian "brain trust" prepared a policy paper that recommended the Rural Reconstruction program be given a priority on a par with that of the military effort. Administrative changes were recommended that would eliminate waste and duplication. Rural Reconstruction pilot projects and special schools to train cadres and peasant volunteers were also advised. Although recent changes in the Rural Reconstruction administrative apparatus may possibly be in response to these suggestions, the fact remains that trained personnel--teachers, cadres, and other specialists--continue to be drafted into the army in increasingly large numbers without regard for position. Replacement of these cadres with trained individuals is becoming more difficult.

4. During the period 8-14 August, Chieu Hoi officials reported that 2,375 persons returned to GVN control. Although there was a sharp rise over last week's total of 822 ralliers, the largest increase was in the number of those in the civilian

category--1,817--as compared to last week's 528. Military defectors numbered 522 (apparently including 380 dissidents of an ethnic Khmer minority from the delta region) and 31 political cadres. Last week the number of returnees in these two categories numbered 259 (163 Khmers) and 33, respectively. Two returnees were carried as either draft dodgers or deserters.

5. On the psychological warfare front, JUSPAO field representatives report somewhat more encouraging popular attitudes. Recent ARVN victories and heavy Viet Cong losses are regarded as the source of the new boost in morale. The US Mission feels that although public opinion (to the extent that it exists and is measurable) is not necessarily committed to the GVN, it seems increasingly hostile to the Viet Cong.

II. THIRD COUNTRY DEVELOPMENTS

A. PREMIER KY'S VISIT TO TAIWAN AND THAILAND

1. Chinese Nationalist Defense Minister Chiang Ching-kuo told the US deputy chief of mission in Taipei that Prime Minister Ky and President Chiang Kai-shek discussed Ky's proposal for a political, economic, and cultural alliance of anti-Communist countries. According to Ching-kuo, President Chiang agreed "in principle" to Ky's proposal and suggested that Ky discuss it with the Thais during his visit in Bangkok. While emphasizing that Ky had not proposed a military alliance, Ching-kuo stated that Chiang Kai-shek and Ky had a lengthy discussion on means of improving internal security in Vietnam.

2. Ky has been quoted in Taipei's China Post as stating that "it would be of great help if the GRC and Vietnam were to recover their lost territories at the same time" and that a GRC attack on the mainland was of "utmost urgency." China Post also reported that Ky said he had talked to "our American friends" about this and that the Americans "agreed in principle." The US Embassy in Taipei has commented that Ky might have been misquoted in this interview since the reporter involved has a reputation for inaccuracies. The US Embassy in Saigon agreed that Ky was probably misquoted, but also noted Ky's tendency to make statements that are meant only for immediate local consumption and that are not included later in the officially released text of his remarks.

3. Ky is scheduled to leave Taipei on 19 August for Bangkok, where he will remain until 21 August. A GRC Embassy official in Saigon reportedly informed the Ministry of Foreign Affairs in Taipei that Ky will also visit the Philippines and South Korea at an undetermined date. There have been two earlier reports, one indicating that Ky would go to Manila and Seoul, and the other that Directory chairman General Nguyen Van Thieu planned to visit those countries; there is nothing to confirm either trip.

B. ICC

On 17 August, the State Department advised the US Embassy in Saigon of its concern over a proposed protest to the ICC by the GVN on the presence of MIG and SAM in

North Vietnam. The department cautioned that while the presence of MIG and SAM in North Vietnam is clearly in violation of the Geneva accords, SAM are defensive in nature and MIG have so far been used for the same role. The DRV reply would likely emphasize that defensive weapons of this nature are necessary to repel alleged US-GVN aggressive attacks. However, the Embassy is authorized to determine the US position after discussions with Canadian ICC Commissioner Seaborn.

C. DIPLOMATIC RELATIONS

1. Singapore

The GVN extended recognition to the new state of Singapore, and received a message of thanks from the foreign minister of Singapore.

2. Ethiopia

The Ethiopian Government told the GVN representative in Addis Ababa that it will not grant agreement for a Vietnamese embassy. (Emperor Haile Selassie had earlier urged the GVN to establish an embassy quickly.) The US advised the GVN not to withdraw its representatives from Addis Ababa and not to appoint ambassador-designate Vinh Tho to another post for the time being, as there appears to be some chance that the Ethiopian Government may change its mind on the issue.

D. INTERNATIONAL RED CROSS

Foreign Minister Tran Van Do sent a letter to the International Committee of the Red Cross on 11 August stating that the GVN has in fact always applied the Geneva conventions on the treatment of prisoners of war, and affirming the readiness of the GVN to respect provisions of the Geneva conventions. Do expressed the hope that the Viet Cong would show the same humanitarian concern.

E. FREE WORLD ASSISTANCE

1. Republic of Korea

On 13 August the ROK National Assembly approved by a vote of 101-1 the government's plan to dispatch a combat division and supporting units (totaling 17,354 men) to Vietnam. Although military sources have indicated

that the first contingent is to leave Korea in late August, there is some evidence that Defense Minister Kim Song-un may seek to delay the dispatch in an effort to gain additional US financial assistance. Major General Chae Myong-sin, presently deputy chief of staff for operations of the Korean Army and a highly respected and qualified officer, has been selected to command the Korean division.

2. Australia

On 18 August Prime Minister Menzies announced that Australia would increase its troop commitment to South Vietnam by 350 more men (artillery and engineer units) to support the 1st Royal Australian Regiment that arrived in June.

III. DEVELOPMENTS IN THE BLOC

A. MILITARY DEVELOPMENTS

1. Two new, fixed surface-to-air missile (SAM) sites were disclosed this week in analysis of 12 August photography. These sites, numbers nine and ten, are situated six and ten miles southeast of Hanoi, respectively. The location of the sites does not alter the outer limit of SAM coverage in the Hanoi area. Neither site appeared operational.

2. One A4E skyhawk on a night armed-reconnaissance mission was shot down on 11 August by a surface-to-air missile about 52 miles southwest of Hanoi and about 20 miles from the site of a new DRV airfield presently under construction. Inasmuch as there were no previous indications of a SAM site in this area, and no fixed site has been subsequently discovered, it is likely that the missile was fired from a mobile installation. The frequency of armed reconnaissance missions in the southern DRV has invited the establishment of such sites in the area.

B. POLITICAL DEVELOPMENTS

1. Vietnamese Communist officials continued this week to denounce the US troop buildup in South Vietnam. At the same time, they took occasion to assert their own firm position on a negotiated settlement of the war, and their determination to carry on the struggle until a final Viet Cong victory is achieved. This was reflected in press conferences called by the Front representatives in Peiping and Prague on 10 August. These two officials expressed their conviction that the Vietnamese Communists would continue the war until the last US soldier was driven from Vietnam. Both Front officials attached importance to offers of international support in the form of volunteers, although neither suggested that such offers need be made good at the present time.

2. DRV representatives in the UAR and Cuba, in private conversations, expressed similar views on the settlement of the war. The DRV ambassador to the UAR, during a recent conversation with UAR Foreign Ministry officials in Cairo, was reported

to have registered "strong opposition to any negotiations at this time and irritation with the meddling of Tito and Shastri." In commenting on other peace initiatives, the DRV diplomat characterized British Prime Minister Wilson as a "stooge" and Ghana's President Nkrumah as a "seeker of publicity."

3. While the ambassador in Cairo expressed a totally negative tone on the negotiations issue, the DRV ambassador in Havana in a 9 August conversation with a Western diplomat there, asserted that Hanoi did "not wish to say that negotiations could start only after" the withdrawal of US forces from South Vietnam. What the DRV insists on, according to the North Vietnamese ambassador, is a "sincere declaration" by the US that it respects the Geneva agreements. This, he implied, involved a unilateral cease-fire by the US since Hanoi could not believe in Washington's sincerity as long as it continued only to "intensify the war." This report, while not weakening the DRV position on negotiations, does support previous evidence that Hanoi is not insisting on the withdrawal of US troops from South Vietnam as a precondition for starting talks on the war.

4. The most authoritative Vietnamese statements on the war during the week came in two newspaper interviews granted by President Ho Chi Minh. In the first of these--with a Polish correspondent in Hanoi, published in Warsaw on 12 August--Ho is reported to have said that "the Vietnamese people are committed to fight until victory rather than consent to a slave's fate, and they will not turn back." The correspondent's report also stressed Ho's concern with the necessity for unity among socialist countries on assistance to Vietnam.

The second and much more perceptive interview was granted to a Le Monde correspondent and was published in Hanoi on 15 August. In reply to a question that involved the conditions under which the DRV would agree to talks, Ho said that the US must give "tangible proofs" that it accepts the four-point proposal of the North Vietnamese. These proofs involve an "immediate" cessation of the US attacks on the DRV, and the stoppage "forthwith" of the war against the Viet Cong in South Vietnam.

Although Ho also called for the withdrawal of US forces, he did not label this an "immediate" necessity, as he had the ending of attacks on the DRV and the Viet Cong.

5. These recent statements on terms for settlement of the war are but the latest reiteration of Hanoi's "soft line," as opposed to the more often stated "hard-line" position that negotiations are impossible until foreign troops are withdrawn from Vietnam. These positions are equally available to Hanoi as bargaining counters, depending on the relative positions of the bargainers.

China

6. Further details on French Minister of Culture Andre Malraux's recent visit to Peiping were passed by the French Foreign Ministry to the US Embassy in Paris this week. The director of the Asian Affairs Department, Manach, reported that Malraux discussed Vietnam with both Chou En-lai and Chen Yi, and that he came away impressed with the hardness of their position. Reportedly, the Chinese insisted that there must be an actual departure of US forces before talks and that an agreement in principle to withdraw is not enough. However, Malraux was told that this was really a question for Hanoi and the Front to decide, and that Peiping would abide by their decision. On the question of direct Chinese participation in the fighting, Chen Yi told Malraux that "as long as there is no enlargement of the conflict, China will not participate."

7. The Chinese position on intervention was spelled out further in private Chinese statements to the Burmese during President Ne Win's state visit to China from 24 July to 1 August. Members of Ne Win's entourage reportedly were told that China might be forced to move into Laos if there was "full commitment" of US troops to ground fighting. This threat is the latest move by Peiping in its attempt to deter the US from further escalation of the conflict. While it is the most specific Chinese warning of possible military intervention in Laos thus far, it is hedged as a contingent action

and conveys no sense of urgency. The Chinese indicated that a decision to intervene in Laos would probably follow a call by North Vietnam for volunteers, and would be part of an effort to contain a larger US commitment.

USSR

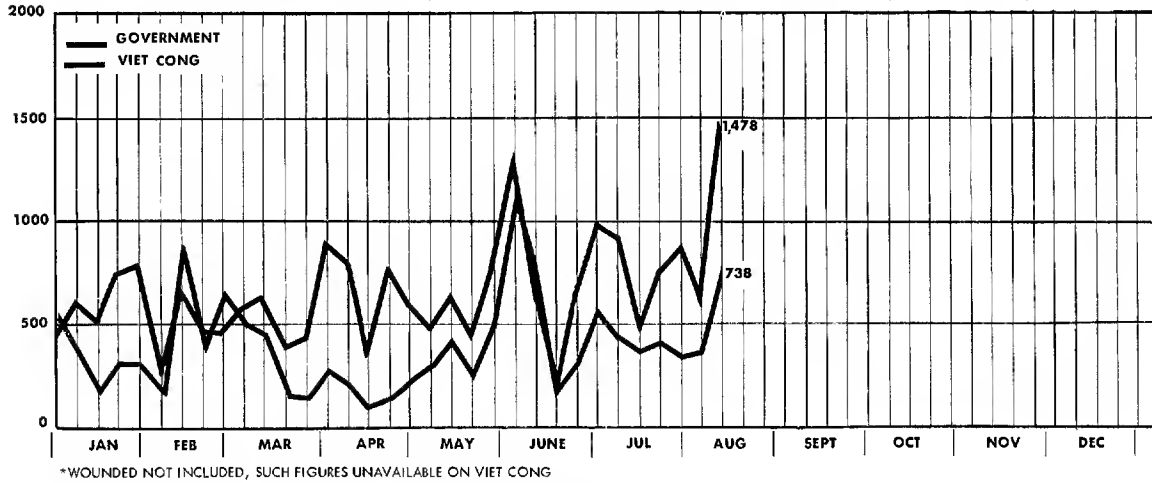
8. The Soviet second secretary in Hanoi, in a four-hour conversation with a Western official there, reflected Moscow's continuing desire for the limitation and eventual resolution of the Vietnam conflict. He contended that DRV leaders were beginning to understand that the US would not be pushed out of Vietnam, and also that they genuinely feared and expected the bombing of Hanoi. The Soviet secretary suggested, however, that DRV leaders "may well" not have completely understood US policy regarding settlement talks. The embassy official repeated standard Soviet arguments concerning the alleged need for an "unconditional" cessation of US air strikes against North Vietnam, but offered no assurances that new US efforts would be favorably received in Hanoi.

SOUTH VIETNAM BATTLE STATISTICS, 1965

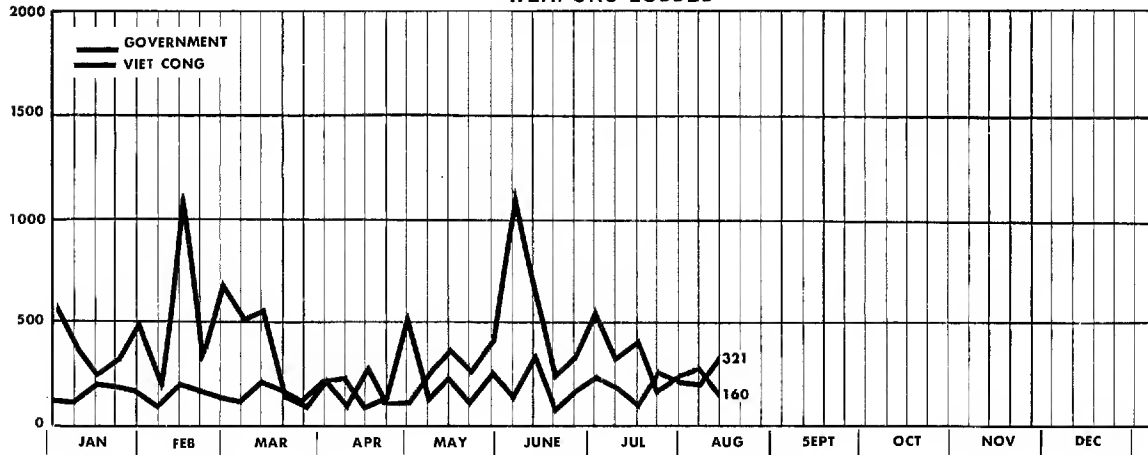
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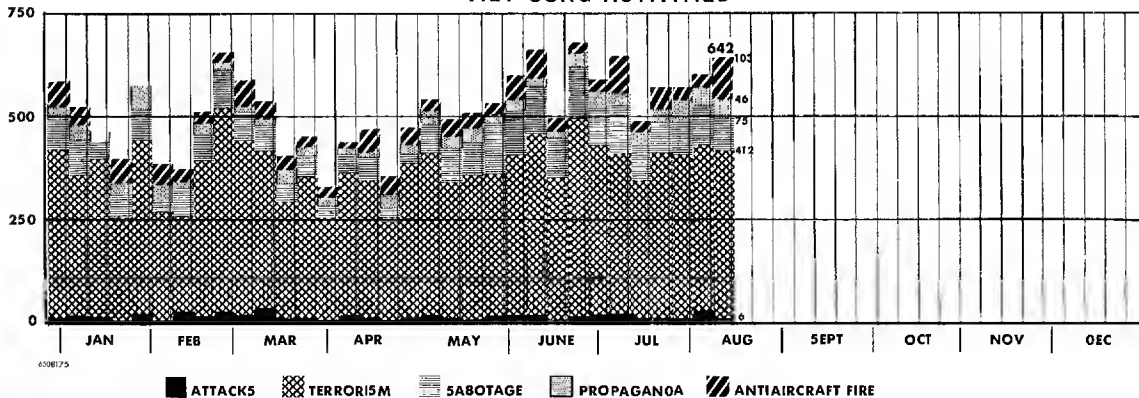
PERSONNEL LOSSES (KILLED IN ACTION, MISSING IN ACTION, CAPTURED)



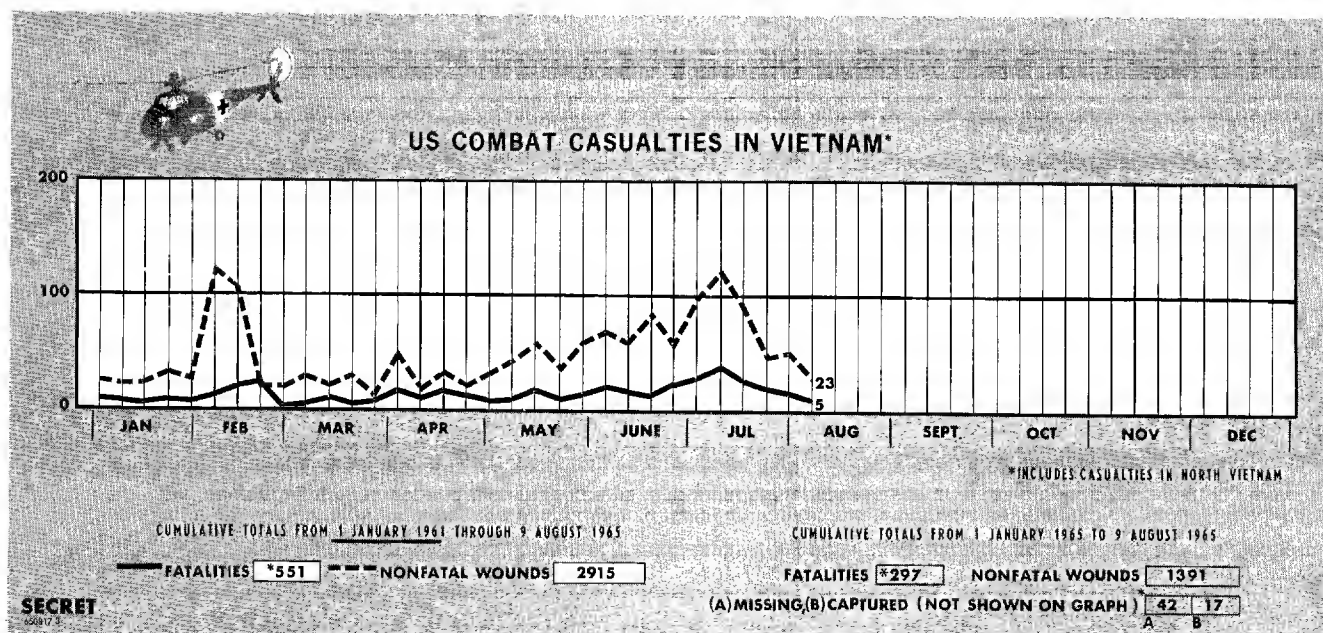
WEAPONS LOSSES



VIET CONG ACTIVITIES



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